

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of
Doro AB

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File No. EB-09-SE-153
NAL/Acct. No. 201032100011
FRN 0018191189

NOTICE OF APPARENT LIABILITY FOR FORFEITURE

Adopted: January 14, 2010

Released: January 14, 2010

By the Chief, Spectrum Enforcement Division, Enforcement Bureau:

I. INTRODUCTION

1. In this *Notice of Apparent Liability for Forfeiture* (“NAL”), we find that Doro AB (“Doro”) apparently willfully and repeatedly violated the wireless handset hearing aid compatibility status report filing requirements set forth in Section 20.19(i)(1) of the Commission’s Rules (“Rules”).¹ For this apparent violation, we propose a forfeiture in the amount of twelve thousand dollars (\$12,000).

II. BACKGROUND

2. In the 2003 *Hearing Aid Compatibility Order*, the Commission adopted several measures to enhance the ability of individuals with hearing disabilities to access digital wireless telecommunications.² The Commission established technical standards that digital wireless handsets must meet to be considered compatible with hearing aids operating in acoustic coupling and inductive coupling (telecoil) modes.³ The Commission further established, for each standard, deadlines by which manufacturers and service providers were required to offer specified numbers or percentages of digital wireless handsets per air interface⁴ that are compliant with the relevant standard if they did not come under the *de minimis* exception.⁵ In February 2008, as part of a comprehensive reconsideration of the

¹ 47 C.F.R. § 20.19(i)(1).

² The Commission adopted these requirements for digital wireless telephones under the authority of the Hearing Aid Compatibility Act of 1988, codified at Section 710(b)(2)(C) of the Communications Act of 1934, as amended, 47 U.S.C. § 610(b)(2)(C). See *Section 68.4(a) of the Commission’s Rules Governing Hearing Aid-Compatible Telephones*, Report and Order, 18 FCC Rcd 16753, 16787 ¶ 89 (2003); Erratum, 18 FCC Rcd 18047 (2003) (“*Hearing Aid Compatibility Order*”); Order on Reconsideration and Further Notice of Proposed Rulemaking, 20 FCC Rcd 11221 (2005) (“*Hearing Aid Compatibility Reconsideration Order*”).

³ See *Hearing Aid Compatibility Order*, 18 FCC Rcd at 16777 ¶ 56; 47 C.F.R. §§ 20.19(b)(1) and (2).

⁴ The term “air interface” refers to the technical protocol that ensures compatibility between mobile radio service equipment, such as handsets, and the service provider’s base stations. Currently, the leading air interfaces include Code Division Multiple Access (CDMA), Global System for Mobile Communications (GSM), Integrated Dispatch Enhanced Network (iDEN) and Wideband Code Division Multiple Access (WCDMA) a/k/a Universal Mobile Telecommunications System (UMTS).

⁵ See *Hearing Aid Compatibility Order*, 18 FCC Rcd at 16780 ¶ 65; 47 C.F.R. §§ 20.19(c) and (d). The *de minimis* exception provides that manufacturers or mobile service providers that offer two or fewer digital wireless handset models per air interface are exempt from the hearing aid compatibility deployment requirements, and manufacturers or mobile service providers that offer three digital wireless handset models per air interface must offer at least one compliant model. 47 C.F.R. § 20.19(e).

effectiveness of the hearing aid compatibility rules, the Commission released an order that, among other things, adopted new compatible handset deployment benchmarks beginning in 2008.⁶

3. Of primary relevance, the Commission also adopted reporting requirements to ensure that it could monitor the availability of these handsets and to provide valuable information to the public concerning the technical testing and commercial availability of hearing aid-compatible handsets.⁷ The Commission initially required manufacturers and digital wireless service providers to report every six months on efforts toward compliance with the hearing aid compatibility requirements for the first three years of implementation (May 17, 2004, November 17, 2004, May 17, 2005, November 17, 2005, May 17, 2006 and November 17, 2006), and then annually thereafter through the fifth year of implementation (November 19, 2007 and November 17, 2008).⁸ In its 2008 *Hearing Aid Compatibility First Report and Order*, the Commission extended these reporting requirements with certain modifications on an open ended basis, beginning January 15, 2009.⁹ The Commission also made clear that these reporting requirements, as codified by Section 20.19(i)(1), apply to manufacturers and service providers that fit within the *de minimis* exception.¹⁰

4. Doro failed to timely file the required reports for the periods July 1, 2008 through December 31, 2008 (due January 15, 2009) and January 1, 2009 through June 30, 2009 (due July 15, 2009). The Wireless Telecommunications Bureau (“WTB”) referred Doro’s apparent violations of the hearing aid compatibility reporting requirements to the Enforcement Bureau for action.

5. On October 14, 2009, the Spectrum Enforcement Division of the Enforcement Bureau sent a Letter of Inquiry (“LOI”) to Doro to investigate potential violations of Section 20.19(i)(1) of the Rules.¹¹ Doro responded to the LOI on November 30, 2009.¹² In its LOI Response, Doro acknowledges that it “misunderstood the *de minimis* exception” to include “an exemption from the Section 20.19(i)(1) requirement to file” the required hearing aid compatibility reports.¹³ After receiving the LOI, Doro

⁶ See *Amendment of the Commission’s Rules Governing Hearing Aid-Compatible Mobile Handsets*, First Report and Order, 23 FCC Rcd 3406 (2008) (“*Hearing Aid Compatibility First Report and Order*”), Order on Reconsideration and Erratum, 23 FCC Rcd 7249 (2008).

⁷ See *Hearing Compatibility First Report and Order*, 23 FCC Rcd at 3443 ¶ 91.

⁸ *Hearing Aid Compatibility Order*, 18 FCC Rcd at 16787 ¶ 89; see also *Wireless Telecommunications Bureau Announces Hearing Aid Compatibility Reporting Dates for Wireless Carriers and Handset Manufacturers*, Public Notice, 19 FCC Rcd 4097 (Wireless Tel. Bur. 2004).

⁹ See *Hearing Compatibility First Report and Order*, 23 FCC Rcd at 3445-46 ¶¶ 97-99.

¹⁰ *Id.* at 3446 ¶ 99.

¹¹ See Letter from Kathryn S. Berthot, Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission, to Jerome Arnaud, President and CEO, Doro AB (October 14, 2009) (“LOI”). The LOI also included a question concerning the website posting requirements contained in Section 20.19(h) of the Rules. 47 C.F.R. § 20.19(h). However, because Doro qualifies for the *de minimis* exception, we find no violation of the Section 20.19(h) requirements.

¹² See Letter from Eliot J. Greenwald, Counsel for Doro AB, to Marlene H. Dortch, Secretary, Federal Communications Commission (November 30, 2009) (“LOI Response”).

¹³ LOI Response Enclosure at 2.

realized its error and filed the January 15, 2009 and July 15, 2009 reports on November 10, 2009¹⁴ and November 12, 2009, respectively.¹⁵

III. DISCUSSION

A. Failure to File Timely Hearing Aid Compatibility Status Reports

6. Section 20.19(i)(1) of the Rules requires handset manufacturers to file hearing aid compatibility status reports under the current rules initially on January 15, 2009 (covering the six month period ending December 31, 2008) and then annually beginning July 15, 2009.¹⁶ These reports are necessary to enable the Commission to perform its enforcement function and evaluate whether Doro is in compliance with Commission mandates that were adopted to facilitate the accessibility of hearing aid-compatible wireless handsets. These reports also provide valuable information to the public concerning the technical testing and commercial availability of hearing aid-compatible handsets. Doro did not file the report covering the six month period ending December 31, 2008 until November 10, 2009, nearly ten months after the January 15, 2009 due date.¹⁷ Additionally, Doro did not file the report covering the period January 1, 2009 through June 30, 2009 until November 12, 2009, nearly four months after the July 15, 2009 due date.¹⁸ Accordingly, we find that Doro failed to timely file the hearing aid compatibility status reports due on January 15, 2009 and July 15, 2009 in apparent willful¹⁹ and repeated²⁰ violation of the requirements set forth in Section 20.19(i)(1) of the Rules.²¹

B. Proposed Forfeiture

7. Under Section 503(b)(1)(B) of the Act, any person who is determined by the Commission to have willfully or repeatedly failed to comply with any provision of the Act or any rule, regulation, or order issued by the Commission shall be liable to the United States for a forfeiture penalty.²² To impose such a forfeiture penalty, the Commission must issue a notice of apparent liability and the person against

¹⁴ See Doro AB Hearing Aid Compatibility Status Report, Docket No. 07-250, Confirmation No. 20091110698729 (November 10, 2009) (“January Status Report”).

¹⁵ See Doro AB Hearing Aid Compatibility Status Report, Confirmation No. 0004030930 (November 12, 2009) (“July Status Report”).

¹⁶ 47 C.F.R. § 20.19(i)(1).

¹⁷ See January Status Report.

¹⁸ See July Status Report.

¹⁹ Section 312(f)(1) of the Act defines “willful” as “the conscious and deliberate commission or omission of [any] act, irrespective of any intent to violate” the law. 47 U.S.C. § 312(f)(1). The legislative history of Section 312(f)(1) of the Act clarifies that this definition of willful applies to both Sections 312 and 503(b) of the Act, H.R. Rep. No. 97-765, 97th Cong. 2d Sess. 51 (1982), and the Commission has so interpreted the term in the Section 503(b) context. See *Southern California Broadcasting Co.*, Memorandum Opinion and Order, 6 FCC Rcd 4387, 4388 ¶ 5 (1991), *recon. denied*, 7 FCC Rcd 3454 (1992) (“*Southern California*”); see also *Telrite Corporation*, Notice of Apparent Liability for Forfeiture, 23 FCC Rcd 7231, 7237 ¶ 12 (2008); *Regent USA*, Notice of Apparent Liability for Forfeiture, 22 FCC Rcd 10520, 10523 ¶ 9 (2007); *San Jose Navigation, Inc.*, Forfeiture Order 22 FCC Rcd 1040, 1042 ¶ 9 (2007).

²⁰ Section 312(f)(2) of the Act provides that “[t]he term ‘repeated’, ... means the commission or omission of such act more than once or, if such commission or omission is continuous, for more than one day.” 47 U.S.C. § 312(f)(2). See, e.g., *Callais Cablevision, Inc.*, *Grand Isle, Louisiana*, Notice of Apparent Liability for Monetary Forfeiture, 16 FCC Rcd 1359, 1362 ¶ 10 (2001).

²¹ 47 C.F.R. § 20.19(i)(1).

²² 47 U.S.C. § 503(b)(1)(B); 47 C.F.R. § 1.80(a)(1).

whom such notice has been issued must have an opportunity to show, in writing, why no such forfeiture penalty should be imposed.²³ The Commission will then issue a forfeiture if it finds by a preponderance of the evidence that the person has violated the Act or a Commission rule.²⁴ As discussed below, we conclude under this standard that Doro is apparently liable for forfeiture for its failure to timely file the required hearing aid compatibility status reports in apparent willful and repeated violation of the requirements set forth in Section 20.19(i)(1) of the Rules.

8. The Commission's *Forfeiture Policy Statement* and Section 1.80(b) of the Rules set a base forfeiture amount of \$3,000 for the failure to file required forms or information.²⁵ While the base forfeiture requirements are guidelines lending some predictability to the forfeiture process, the Commission retains the discretion to depart from these guidelines and issue forfeitures on a case-by-case basis, under its general forfeiture authority contained in Section 503 of the Act.²⁶ In exercising such discretion, we are required to take into account "the nature, circumstances, extent, and gravity of the violation and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require."²⁷

9. We have exercised our discretion to set a higher base forfeiture amount for violations of the wireless hearing aid compatibility reporting requirements. In the *American Samoa Telecommunications Authority NAL*, we found that hearing aid compatibility status reports are essential to the implementation and enforcement of the hearing aid compatibility rules.²⁸ The Commission relies on these reports to provide consumers with information regarding the technical specifications and commercial availability of hearing aid-compatible digital wireless handsets and to hold the digital wireless industry accountable to the increasing number of hearing-impaired individuals.²⁹ We noted that when setting an \$8,000 base forfeiture for violations of the hearing aid-compatible handset labeling requirements, the Commission emphasized that individuals with hearing impairments could only take advantage of critically important public safety benefits of digital wireless services if they had access to accurate information regarding hearing aid compatibility features of handsets.³⁰ We also noted that the Commission has upwardly adjusted the base forfeiture when noncompliance with filing requirements interferes with the accurate administration and enforcement of Commission rules.³¹ Because the failure to file hearing aid compatibility status reports implicates similar public safety and enforcement concerns, we exercised our discretionary authority and established a base forfeiture amount of \$6,000 for failure to file

²³ 47 U.S.C. § 503(b); 47 C.F.R. § 1.80(f).

²⁴ See, e.g., *SBC Communications, Inc.*, Forfeiture Order, 17 FCC Rcd 7589, 7591 ¶ 4 (2002).

²⁵ 47 C.F.R. § 1.80(b).

²⁶ See *Forfeiture Policy Statement*, 12 FCC Rcd at 17099 ¶ 22, 17101 ¶ 29. See also 47 C.F.R. § 1.80(b)(4) ("The Commission and its staff may use these guidelines in particular cases [, and] retain the discretion to issue a higher or lower forfeiture than provided in the guidelines, to issue no forfeiture at all, or to apply alternative or additional sanctions as permitted by the statute.") (*emphasis added*).

²⁷ 47 U.S.C. § 503(b)(2)(E). See also 47 C.F.R. § 1.80(b)(4), Note to paragraph (b)(4): Section II. Adjustment Criteria for Section 503 Forfeitures.

²⁸ See *American Samoa Telecommunications Authority*, Notice of Apparent Liability for Forfeiture, 23 FCC Rcd 16432 (Enf. Bur., Spectrum Enf. Div. 2008), *response received* ("ASTCA NAL").

²⁹ See *ASTCA NAL*, 23 FCC Rcd at 16436-47 ¶ 10.

³⁰ *Id.*

³¹ *Id.*

hearing aid compatibility reports.³² Consistent with *ASTCA*, we will apply the same base forfeiture amount here.

10. Failure to file these reports, as is the case here, can have an adverse impact on the Commission's ability to ensure the commercial availability of hearing aid-compatible digital wireless handsets, to the detriment of consumers. Doro acknowledges that it did not file the required reports until after it received the Bureau's LOI, because it did not realize the Section 20.19(i)(1) reporting requirements applied to it. However, unfamiliarity with the Rules³³ is not a mitigating factor justifying a downward adjustment to the base forfeiture established in *ASTCA*. Accordingly, we propose a forfeiture of \$12,000 against Doro for apparently willfully and repeatedly failing to timely file its January 15, 2009 and July 15, 2009 hearing aid compatibility status reports in violation of Section 20.19(i)(1) of the Rules.³⁴

IV. ORDERING CLAUSES

11. Accordingly, **IT IS ORDERED** that, pursuant to Section 503(b) of the Act, and Section 1.80 of the Rules, Doro **AB IS NOTIFIED** of its **APPARENT LIABILITY FOR A FORFEITURE** in the amount of twelve thousand dollars (\$12,000) for its failure to timely file its hearing aid compatibility status reports in apparent willful and repeated violation of the requirements set forth in Section 20.19(i)(1) of the Rules.³⁵

12. **IT IS FURTHER ORDERED** that, pursuant to Section 1.80 of the Rules, within thirty days of the release date of this Notice of Apparent Liability for Forfeiture, Doro **AB SHALL PAY** the full amount of the proposed forfeiture or **SHALL FILE** a written statement seeking reduction or cancellation of the proposed forfeiture.

13. Payment of the forfeiture must be made by check or similar instrument, payable to the order of the Federal Communications Commission. The payment must include the NAL/Account Number and FRN Number referenced above. Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payment by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the NAL/Account number in block number 23A (call sign/other ID), and enter the letters "FORF" in block number 24A (payment type code). Requests for full payment under an installment plan should be

³² *Id.*

³³ See, e.g., *Profit Enterprises, Inc.*, 8 FCC Rcd 2846, 2846 ¶ 5 (1993) (denying the mitigation claim of a manufacturer/distributor who thought that the equipment certification and marketing requirements were inapplicable, stating that its "prior knowledge or understanding of the law is unnecessary to a determination of whether a violation existed ... ignorance of the law is [not] a mitigating factor"); *Lakewood Broadcasting Service, Inc.*, 37 FCC 2d 437, 438 ¶ 6 (1972) (denying a mitigation claim of a broadcast licensee who asserted an unfamiliarity with the station identification requirements, stating that licensees are expected "to know and conform their conduct to the requirements of our rules"); *Kenneth Paul Harris, Sr.*, 15 FCC Rcd 12933, 12935 ¶ 7 (Enf. Bur. 2000) (denying a mitigation claim of a broadcast licensee, stating that its ignorance of the law did not excuse the unauthorized transfer of the station); *Maxwell Broadcasting Group, Inc.*, 8 FCC Rcd 784, 784 ¶ 2 (MMB 1993) (denying a mitigation claim of a noncommercial broadcast licensee, stating that the excuse of "inadverten[ce], due to inexperience and ignorance of the rules ... are not reasons to mitigate a forfeiture" for violation of the advertisement restrictions).

³⁴ 47 C.F.R. § 20.19(i)(1).

³⁵ *Id.*

sent to: Chief Financial Officer -- Financial Operations, 445 12th Street, S.W., Room 1-A625, Washington, D.C. 20554. Please contact the Financial Operations Group Help Desk at 1-877-480-3201 or Email: ARINQUIRIES@fcc.gov with any questions regarding payment procedures. Doro will also send electronic notification on the date said payment is made to Ricardo.Durham@fcc.gov and Linda.Nagel@fcc.gov.

14. The written statement seeking reduction or cancellation of the proposed forfeiture, if any, must include a detailed factual statement supported by appropriate documentation and affidavits pursuant to Sections 1.80(f)(3) and 1.16 of the Rules. The written statement must be mailed to the Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554, ATTN: Enforcement Bureau – Spectrum Enforcement Division, and must include the NAL/Acct. No. referenced in the caption. The statement should also be emailed to Ricardo Durham at Ricardo.Durham@fcc.gov and Linda Nagel at Linda.Nagel@fcc.gov.

15. The Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the petitioner submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices; or (3) some other reliable and objective documentation that accurately reflects the petitioner's current financial status. Any claim of inability to pay must specifically identify the basis for the claim by reference to the financial documentation submitted.

16. **IT IS FURTHER ORDERED** that a copy of this Notice of Apparent Liability for Forfeiture shall be sent by first class mail and certified mail return receipt requested to Jerome Arnaud, President and CEO, Doro AB, Magistratsvagen 10, Lund, Sweden SE-2643, to Doro AB's United States agent Oakpoint, LLC, Attn: Christopher Lundstrom, 55 Broad Street, 16th Floor, New York, NY 10004, and to counsel for Doro AB, Eliot J. Greenwald, Esq., Bingham McCutchen LLP, 2020 K Street NW, Washington DC 20006-1806.

FEDERAL COMMUNICATIONS COMMISSION

Kathryn S. Berthot
Chief, Spectrum Enforcement Division
Enforcement Bureau